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SUPERIOR COURT OF CALIFORNIA

COUNTY OF SONOMA

RODOLFO DI MASSA, M.D., AND KARL NIGG, individually and on behalf of Stenticor International Inc.

Plaintiffs,

v.

SIMON STERTZER, M.D., MICHAEL BONEAU, AND MEDTRONIC ARTERIAL VASCULAR ENGINEERING, INC., a Delaware Corporation, Does 1-25 & Roes 26-50,

Defendants;

and

STENTICOR INTERNATIONAL, INC., a California Corporation,

Nominal Defendant.

Case No. 222363

FIRST AMENDED COMPLAINT ASSERTING DERIVATIVE AND INDIVIDUAL CAUSES OF ACTION FOR BREACH OF CONTRACT; BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING; BREACH OF FIDUCIARY DUTY; MISAPPROPRIATION OF TRADE SECRETS; UNFAIR COMPETITION; INTENTIONAL MISREPRESENTATION; CONCEALMENT; NONDISCLOSURE; UNJUST ENRICHMENT AND BREACH OF CONFIDENCE.

General Civil Case

Plaintiffs Rodolfo Di Massa M.D. and Karl Nigg ("Plaintiffs") hereby allege as follows:

THE NATURE OF THE ACTION

1. This is a derivative action arising out of the misappropriation of trade secrets of Stenticor International, Inc., nominal defendant, by defendants Simon Stertzer and Michael Boneau, who were directors and shareholders in Stenticor, a closely held corporation, before they founded a series of competing corporations in order to exploit Stenticor's ideas without sharing the profits with the other shareholders of Stenticor including Plaintiffs. The last of these corporations, AVE, was merged into Defendant MAVE, which had reason to know that AVE had misappropriated trade secrets.

2. As set forth more fully below, defendants Stertzer and Boneau had signed Agreements with Stenticor under which they agreed that certain ideas, information and know-how were the trade secrets of Stenticor and agreed not to disclose these trade secrets or use them outside of Stenticor and to take all necessary measures to preserve Stenticor's trade secrets. Defendants Stertzer and Boneau breached the Agreement, in violation of their duties to Stenticor and to plaintiffs, who also sue individually.

PARTIES

3. Plaintiffs are residents of the State of California. Plaintiff Rudolfo Di Massa is a resident of the County of Sonoma. Plaintiff Karl Nigg is a resident of the County of Santa Clara. Plaintiffs are bringing this lawsuit in their individual capacity and derivatively as shareholders of Stenticor, International Inc., a California corporation.

4. Nominal defendant Stenticor International Inc. ("Stenticor") is a California corporation with its principal place of business in the State of California, County of Santa Clara.

5. Defendant Simon Stertzer, M.D., ("Stertzer") is a resident of the State of California, County of San Mateo. Defendant Stertzer is being sued in his individual capacity, in his capacity as a director of Stenticor International, Inc. at the relevant times.

6. Defendant Michael Boneau is and at all times mentioned herein was a resident of the State of California, County of Santa Clara. Defendant Michael Boneau is being sued in his individual capacity and in his capacity as a director and shareholder of Stenticor International, Inc.

7. Defendant Medtronic Arterial Vascular Engineering Inc. ("AVE") is a Delaware corporation with its principal place of business in the State of California, County of Sonoma. In or about January 1999, Arterial Vascular Engineering Inc. merged with MAV Merger Corp., a wholly owned subsidiary of Medtronic, Inc. Plaintiffs are informed and believe, and on that basis allege that Defendant Medtronic Arterial Vascular Engineering ("MAVE") is now a wholly owned subsidiary of Medtronic, Inc., a Minnesota corporation, with its principal place of business in Minnesota.

8. Plaintiffs are ignorant of the true names and capacities of Defendants sued herein as DOES 1 through 25, and ROES 26-50, inclusive, and therefore sue these Defendants by such fictitious names. Plaintiffs will amend this complaint to allege their true names and capacities when ascertained. Plaintiffs are informed and believe that each of these fictitiously named Defendants is responsible in some manner for the occurrences herein alleged, and that Plaintiffs' injuries as herein alleged were proximately caused by the aforementioned Defendants.

9. Plaintiffs are informed and believe and thereon allege that at all times mentioned herein each of the Defendants was the agent and employee of each of the remaining Defendants and, in doing the things hereinafter alleged, was acting within the course and scope of such agency and employment.

BASIS FOR DERIVATIVE ACTION

10. Plaintiff Rodolfo DiMassa owned 60,000 shares of the capital stock of Stenticor at the time of the events complained of and continues to own these shares.

11. Plaintiff Karl Nigg owned 60,000 shares of the capital stock of Stenticor at the time of the events complained of and continues to own these shares.

12. Plaintiffs did not ask the directors of Stenticor to bring this action on behalf of

Stenticor prior to filing this derivative action because such a request would have been futile for the following reasons:

13. The following individuals were elected the directors of Stenticor at its incorporation on January 3, 1986: Plaintiff Rodolfo Di Massa and Plaintiff Karl Nigg, Richard Myler, Paul Boneau, Jr., and Defendants Simon Stertzer and Michael Boneau. Defendant Stertzer resigned from the Board in June 1987. Dr. Myler resigned from the Board in January 2000.

14. Defendant Director Michael Boneau is not independent or disinterested because he is being sued for fraud, misappropriation of trade secrets, misappropriation of Stenticor's corporate opportunities and other self dealing and there is a substantial likelihood he will be held liable.

15. Director Paul Boneau, Jr. is not independent or disinterested because he is the brother of Defendant Michael Boneau, who is being sued.

16. Stenticor's corporate directors Michael Boneau and Paul Boneau are incapable of acting independently and are not disinterested with respect to this suit. Therefore, it would have been futile to demand that the Board take action.

17. As a result of Defendants Stertzer's and Michael Boneau's fraud and other torts and breaches of their duties to Stenticor, Stenticor was unable to pay California Franchise taxes and was therefore not in good standing and unable to sue in its own name until late January 2000 when Plaintiffs caused the back taxes to be paid and the corporation to be revived. It would have been futile to demand the Board sue while Stenticor was suspended with the State of California.

18. As a result of Defendants Stertzer's and Boneau's fraud and other torts and breaches of their duties to Stenticor, the corporation became inactive in 1987. No Board or shareholder meetings were held after 1987. Under these circumstances, it would have been impossible, in addition to futile, to make a demand on the Board because Plaintiffs would, on information and belief, have been unable to obtain a quorum of Board members.

19. On or before February 2, 2000, Plaintiffs have or will have informed Stenticor

and the Board of Directors of the facts of each cause of action in this lawsuit by sending a copy of the First Amended Complaint to each director listed in paragraph 11 at his last known address and to Stenticor at the corporate address, on or before February 2, 2000.

GENERAL ALLEGATIONS

20. In 1979, Plaintiff Dr. Di Massa was working as Chief of the Primary Care Clinic at the Santa Clara Valley Medical Center ("SCVMC"), which is affiliated with Stanford University, where Dr. Di Massa often attended cardiac conferences. At that time, coronary angioplasty balloon dilation of narrowed arterial segments was a newly developed procedure. Dr. Di Massa soon became aware of the shortcomings of coronary angioplasty, including dangerous lesions at the arterial wall and restenosis (recurrent blockage). In contemplating a way to correct these shortcomings, Dr. Di Massa thought of introducing a second stage to the angioplastic procedure securing a very thin, small metallic sleeve/stent (later referred to as the Di Massa Sleeve) to the inflated balloon, thread it to the dilated site, and leave it in place. The stent would prevent recurrent blockage and also cover up the damage at the inner arterial wall.

21. In April of 1979, Dr. Di Massa received a one year grant from the Institution of Medical Research ("IMR"), a SCVMC connected institution, to conduct research testing the applications of his idea for a coronary stent. This grant was awarded by a distinguished panel of reviewers. Dr. Di Massa's research and testing continued into 1980 and was then temporarily suspended for lack of funding.

22. At the time, Dr. Di Massa's invention was a revolutionary concept which, based on a bibliographic research of the medical literature, had never before been explored.

THE FORMATION OF CVP

23. In 1983, Plaintiffs' neighbor, attorney Karl Nigg, introduced Dr. Di Massa to Paul Boneau, and his sons Michael and Paul Jr., for the purpose of possibly forming a joint venture to further develop the coronary stent. The Boneaus owned and operated a precision metal work manufacturing plant. The Boneaus had the equipment and knowledge

necessary to manufacture the coronary stent envisioned by Dr. Di Massa. Shortly thereafter, Dr. Di Massa entered into a joint venture (called Cardio Vascular Products "CVP") with Paul Boneau and Karl Nigg to manufacture, market and sell the coronary stent. The joint venture also anticipated that the stent concept could be expanded to use in peripheral arteries, such as the renal artery. This joint venture provided the funding needed to continue Dr. Di Massa's research.

24. Upon the formation of CVP and continuing through 1986, Dr. Di Massa resumed research and testing of the Di Massa Sleeve, including insertion of the Sleeve into animals. During this time, the design for the coronary stent was refined.

25. In approximately November of 1983, a sales representative for a medical supply company suggested to Paul Boneau Sr. that the CVP group contact Dr. Simon Stertzer and Dr. Richard Myler, who worked at the San Francisco Heart Institute, which is part of Seton Medical Center, as they were considered leaders in the field of balloon angioplasty.

26. In or about 1984, conversations were held between Dr. Stertzer, Dr. Myler and the members of CVP to discuss a possible joint venture. Drs. Stertzer and Myler were very interested in Dr. Di Massa's stent, and agreed to provide financial assistance and medical assistance in conducting the clinical studies needed to gain FDA approval for the stent.

THE FORMATION OF STENTICOR

27. In January of 1986, Dr. Di Massa, Defendant Stertzer, Defendant Boneau, Dr. Richard Myler, Paul Boneau Sr., Paul Boneau Jr., and Karl Nigg formed Stenticor International, Inc., incorporated in the State of California, in order to continue research and testing on the stent as well as to eventually manufacture, market and sell coronary stents, as well as peripheral stents. Plaintiffs, together with their families, each owned a total of 17% of the stock in Stenticor, as did Defendant Stertzer. Defendant Michael Boneau held 7.5% of the stock. The other founders, together with their families, held the remaining stock. Stenticor acquired all of CVP's rights, title, and interest in all medical research,

manufacturing, and development of the Di Massa Sleeve.

28. At or around the time of the formation of Stenticor, each of the incorporators of Stenticor, including Defendants Stertzer and Boneau, executed an agreement (the "Agreement") whereby they agreed not to disclose, reveal or use any confidential information or material relating to Stenticor or its business without the express written approval of Stenticor, including "all research, development, manufacturing processes, writings, and other work done on the Di Massa Sleeve."

29. Defendants further assigned to Stenticor the "entire right, title, and interest in any invention or idea, patentable or not, hereinbefore or hereinafter made or conceived solely by me, or jointly with any other employee of Stenticor, which relates in any manner to the actual or anticipated business of Stenticor and its subsidiaries, or is suggested by or results from any work or task assigned to me or work performed by me, for or on behalf of Stenticor."

30. When signing the Agreement, all of the signatories were asked to represent that they had indicated on the back of the Agreement any inventions or ideas they did not want covered by the Agreement, which they asserted were previously conceived wholly or in part by themselves but not yet published or filed in the United States Patent Office. Defendants Stertzer and Boneau each listed "none." Plaintiffs were intended beneficiaries of this Agreement. (Attached hereto and filed herewith as Exhibit "A" is a true and correct copy of the Agreements signed by Defendants Stertzer and Boneau.)

31. It was further set forth in the Agreement that all work done on the Di Massa Sleeve as of the date of the execution of the Agreement was to be considered and maintained as a trade secret of Stenticor.

32. During 1986, Stenticor conducted research and development on the stent; courted potential purchasers; developed the stent for possible patent and FDA approval; and eventual mass production and marketing. Dr. Di Massa personally participated in the animal testing of the stent. In that regard, Dr. Di Massa reduced his employment with SCVMC by one-third in 1984, and resigned his employment with SCVMC in 1985, in order

to devote all of his time and energy to Stenticor.

33. In October of 1986, after implanting prototypes of the Di Massa Sleeve in dogs with Dr. Di Massa, Defendant Stertzer wrote to Dr. Di Massa informing him the pathology test "clearly indicates to me that this stent is definitely useful when surgically introduced, or even percutaneously introduced into a peripheral vessel such as a carotid femoral or renal. I think this has important implications for Stenticor."

34. In November 1986, preliminary results on the Di Massa Sleeve tests were presented by Dr. Di Massa and Defendant Stertzer at the international meeting of the American Heart Association in Dallas, Texas.

35. In late 1986 and early 1987, Dr. Di Massa conveyed to Defendant Stertzer several new ideas Dr. Di Massa had for creating an expandable stent, including use of an expandable wire mesh stent, a single wire stent in a sinusoidal design, and use of a heat expanding stent in a coil design made out of a memory metal. Defendant Stertzer informed Dr. Di Massa that these ideas were promising, but that they should first continue testing the Di Massa Sleeve.

36. Also in late 1986 or early 1987, Dr. Di Massa conveyed to Defendant Michael Boneau several new ideas Dr. Di Massa had for creating an expandable stent, including use of an expandable wire mesh stent, a single wire stent in a sinusoidal design, and use of a heat expanding stent in a coil design made out of a memory metal.

37. In June of 1987, Stertzer suddenly and unexpectedly withdrew from Stenticor, claiming that the "promise for new products and product manufacture were not properly within the purview of Michael and Paul" Boneau, and that the Di Massa Sleeve was essentially unmarketable. Stertzer tendered his shares in Stenticor. As a result of Stertzer's actions, Stenticor no longer had any funding for research, or the use of any medical facilities, and all research and development at Stenticor came to a halt. Defendant Michael Boneau never attempted to disassociate himself with Stenticor.

38. After eight years of research and development of the coronary stent, Dr. Di Massa did not have the financial resources to go forward with Stenticor's research

alone, and did not believe he would be able to locate new funding sources after Defendant Stertzer, who was a leading authority in the interventional cardiology field, left the project and wrote a letter declaring his alleged belief that the project would not play any future role in the treatment of coronary atherosclerotic heart disease. Consequently, Dr. Di Massa's involvement in Stenticor, and his contacts with the other owners of Stenticor, dwindled and eventually became nonexistent. Stenticor was never dissolved, but was suspended by the Franchise Tax Board in June 1989. Had Defendant Stertzer not abandoned the enterprise, Dr. Di Massa would have continued to research and develop peripheral and coronary stents for Stenticor.

THE FORMATION OF ACCUTERIX

39. Seven months after Defendant Stertzern left Stenticor, in January of 1988, Defendants Stertzer and Michael Boneau incorporated Accuterix, Inc., a California corporation, in order to produce and market coronary stents.

40. Plaintiffs are informed and believe that, prior to Stertzer's resignation from Stenticor, Defendants Stertzer and Michael Boneau took Di Massa's ideas for an expandable version of the stent, as conceived and told to them by Di Massa and contemplated by Stenticor, and decided to keep and use the ideas for themselves in order to obtain a bigger share of the profits they knew would be derived from these ideas.

41. In August 1989, Defendant Michael Boneau filed a patent application with the United States Patent Office for an "Endovascular Support Device," otherwise known as the "Boneau Stent," for treatment of chronic restenosis or other vascular narrowing. The patent describes and claims an expandable single-wire stent in a sinusoidal design.

42. Defendant Michael Boneau has only a high school education and had no training, experience, or knowledge of medical devices prior to his association with Stenticor. Plaintiffs are informed and believe that Defendants have filed over twenty patent applications over the last ten years related to stents and stent technology developed from work done while working on the Di Massa Sleeve and other stents for Stenticor.

43. Plaintiffs are informed and believe, and on that basis allege, that the Boneau

Stent and the inventions claimed in the related patents filed by Defendants were based on trade secrets of Stenticor, specifically Dr. Di Massa's original stent concept; his ideas for an expandable stent, as reported by Cardio magazine in January 1987; the concept of an expandable, continuous wire mesh stent; the concept of a sinusoidal design; the concept of a coil design using a memory metal; the concept of delivering a stent to the affected site via a catheter balloon; the concept of using multiple stents for a larger affected area; the research, development and testing done by Dr. Di Massa; the materials used on the Di Massa Sleeve; and possibly the machining techniques developed on the Di Massa Sleeve and the radiopaque qualities of the Di Massa Sleeve. Defendants had no knowledge of these trade secrets prior to becoming associated with Dr. Di Massa and Stenticor. Defendants may also have adopted, in whole or in part, other ideas and features owned by Dr. Di Massa and/or Stenticor.

44. Defendants Stertzer and Boneau did not inform Plaintiffs or Stenticor of Michael Boneau's various patent applications, of the "Boneau Stent," or of Stertzer's and Michael Boneau's continued involvement in stent technology. Similarly, Defendants Stertzer and Boneau did not obtain permission or consent from Plaintiffs or Stenticor to use the trade secrets and other information they obtained while active in Stenticor and through their work on the Di Massa Sleeve. Neither did Defendants Stertzer and Michael Boneau obtain permission or consent from Plaintiffs to take any business opportunities belonging to Plaintiffs and Stenticor.

THE FORMATION OF AVE

45. In November 1989, Defendants Stertzer and Boneau formed another company, Endovascular Support Systems, Inc. ("ESS"), a California corporation. Plaintiffs are informed and believe, and on that basis allege, that ESS acquired the assets of Accuterix and the sole product of ESS was the Boneau Stent.

46. Plaintiffs are informed and believe, and on that basis allege the following: In July of 1991, Defendant Stertzer and three others formed Arterial Vascular Engineering, Inc. ("AVE"), previously named Applied Arterial Engineering. In or about October 1992,

AVE entered into a sales agreement with ESS, whereby all of the assets of ESS were sold to AVE for $1.00. Soon thereafter, Defendant Boneau exchanged his stock in ESS for stock in AVE.

47. In sum, the concept, ideas, research, development, testing, techniques, materials and delivery system developed by Dr. Di Massa and Stenticor became the basis for the sole products first of Accuterix, then ESS, and then AVE (now MAVE). Due to covert actions on the part of Defendants Stertzer and Boneau by the formation of their various companies, and in the concealment of their marketing of the coronary stent originally based on Dr. Di Massa's work and ideas, Plaintiffs and Stenticor were deprived of any benefit or profits from the marketing and sale of their inventions.

48. In or about April 1996, AVE made an initial public offering of its stock. The stock was initially priced at $21 per share and eventually rose to a price in excess of $65 per share.

49. In the last five years, AVE's sales of arterial stents have skyrocketed. Its market expanded from Europe, to Japan, and finally to the United States in December 1997, when the Boneau Stent received approval from the United States Food and Drug Administration. In 1998, AVE reported over $387 million in sales.

50. Plaintiffs are informed and believe, and on that basis allege, that AVE merged with MAV Merger Corp., a wholly owned subsidiary of Medtronic, Inc. in or around January 28, 1999, to form MAVE. The merger was valued at more than 3.7 billion. Plaintiffs are informed and believe, and on that basis allege, that Defendants Stertzer and Michael Boneau have profited based on their misappropriation of Stenticor's trade secrets, the result of Dr. Di Massa's invention and long years of research, development and testing.

51. At the time Medtronic merged MAV Merger Corp. with AVE, it was aware that shareholders of ESS had sued and was in active litigation against AVE based on allegations that AVE had improperly taken the Boneau Stent and associated technology from ESS. Thus, MAVE had reason to know when it acquired the trade secrets from AVE that AVE had acquired the trade secrets by improper means and/or from a party that had the

obligation to maintain their secrecy.

52. Plaintiffs did not learn about Defendants Stertzer's and Michael Boneau's participation and involvement in any subsequent companies involving the use, development, and marketing of coronary stents, including Defendant MAVE, until April of 1998, when an acquaintance called Di Massa to discuss the great success of MAVE. The acquaintance logically, but incorrectly, assumed that Dr. Di Massa must be one of the original founders and shareholders of MAVE.

53. Dr. Di Massa had not been contacted by Defendants Stertzer or Michael Boneau since late 1987, and had never been asked if they could use the trade secrets and confidential information of Stenticor.

54. Plaintiffs relied upon their fiduciary relationship with Defendants Stertzer and Boneau, co-owners and co-participants in the research and development of Stenticor, and trusted, based on the contractual relationship, that Defendants would not continue developing coronary stents outside of Stenticor. Plaintiffs also relied on Stertzer's express, written representations that Paul and Michael Boneau did not have the ability to manufacture an expandable stent and that Stenticor did not have a marketable product that showed any future promise. Plaintiffs also relied on the Agreement in that they reasonably expected that if any party to the Agreement knew that the trade secrets of Stenticor were being misappropriated, that party would alert Stenticor as part of his obligation to "do all acts necessary to protect the trade secret." As a result, Plaintiffs had no reason to track Defendants' further research and marketing of coronary stents after Stertzer left Stenticor. In turn, there was no reasonable way that Plaintiffs could have discovered that Defendants Stertzer and Michael Boneau had continued to research, develop and market coronary stents prior to April of 1998.

55. Plaintiffs are informed and believe, and on that basis allege, that Defendants Stertzer and Boneau actively sought to conceal their involvement in the subsequent business ventures, including MAVE. For example, a search of the Press Democrat's archives demonstrates that in the well over 100 articles written on AVE/MAVE since 1991, not a

single article mentions Defendant Boneau, even though he is the alleged inventor, and patent holder, of MAVE's stent technology. Similarly, only two articles, both published within the past year, make passing mention of Defendant Stertzer. The other three founders of AVE/MAVE are discussed extensively in the articles.

FIRST CAUSE OF ACTION

(Breach of Contract — Defendants Stertzer & Boneau)

56. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 55 of this complaint.

57. The Stenticor Agreement constituted a valid, enforceable contract between Stenticor and Defendants Stertzer and Boneau.

58. The Agreement was made for the shareholder plaintiffs' benefit in that they were assured that if they assigned all of their right, title and interest to inventions involving stent technology to Stenticor, they would gain an ownership interest, through their Stenticor stock, in the rights, title and interests in inventions related to stent technology developed by the other members of Stenticor, and would be protected against other signatories to the Agreement taking, developing and/or marketing any stent inventions for their own benefit.

59. Plaintiffs Dr. Di Massa and Karl Nigg performed their duties under the contract by not revealing any confidential information or material relating to the business of Stenticor, among other things. Dr. Di Massa and Karl Nigg did not pursue any development or marketing of coronary or peripheral stents outside of Stenticor.

60. Defendants Stertzer and Michael Boneau unjustifiably, materially and totally breached the Agreement by disclosing or revealing to individuals and companies outside of Stenticor, confidential information relating to the business of Stenticor, without first obtaining express written approval of Stenticor, in violation of paragraph 1 of the Agreement.

61. Defendants Stertzer and Michael Boneau unjustifiably, materially and totally breached the Agreement by using confidential information relating to the business of Stenticor for purposes other than Stenticor business, namely forming and operating several

companies to develop, market and sell coronary and peripheral stents, in violation of paragraph 1 of the Agreement.

62. Defendants Stertzer and Michael Boneau unjustifiably, materially and totally breached the Agreement by failing to disclose immediately to Stenticor the inventions or ideas (including inventions claimed in the Boneau patents) defendants now claim to be theirs, in violation of paragraph 4(a) of the Agreement.

63. Defendant Michael Boneau unjustifiably, materially and totally breached the Agreement by failing to promptly execute a specific assignment of title to Stenticor for the inventions claimed in the Boneau patents and failing to do everything else reasonably necessary to enable Stenticor to secure the United States and foreign patent rights to the inventions claimed in the Boneau patents, and instead assigning these rights to competitors of Stenticor.

64. As a result of Defendants' continuing breaches, Stenticor was denied the profits it would have made from sales of stents and stent-related products had Stertzer and Michael Boneau not breached the agreement, in an amount to be proven at trial.

65. As a result of Defendants' continuing breaches, Stenticor was denied the royalties it would have made from licensing its trade secrets, and any patents it might have obtained, relating to arterial stents, to other companies.

66. As a result of Defendants' continuing breaches, Plaintiffs Di Massa and Nigg were denied their share of the profits that Stenticor would have achieved had Stertzer and Boneau not breached the Agreement, in an amount to be proven at trial.

SECOND CAUSE OF ACTION

(Breach of the Covenant of Good Faith & Fair Dealing — Defendants Stertzer & Michael Boneau)

67. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 66 of this complaint.

68. The Agreement contained an implied covenant of good faith and fair dealing by which Defendants Stertzer and Boneau promised to give full cooperation to Plaintiffs in

developing coronary and peripheral stents for the sole benefit of Stenticor and its shareholders, and to refrain from doing any act which would prevent or impede Plaintiffs from enjoying the fruits of said Agreement. Specifically, the covenant of good faith and fair dealing required Defendants to fairly, honestly and reasonably perform the terms and conditions of their Agreement with Plaintiffs.

69. The acts and omissions of Defendants Stertzer and Boneau breached the covenant of good faith and fair dealing, whereby Stertzer and Boneau were obligated not to interfere with Plaintiffs' rights to obtain the benefit of their relationship with Stenticor as shareholders and parties to the Agreement with Stenticor; or with Stenticor's rights under the Agreement. Stertzer and Boneau breached the covenant of good faith and fair dealing by, among other actions, breaching their fiduciary obligations; failing to maintain the trade secrets of Stenticor; wrongfully misappropriating and using the concept, ideas, research, development, testing, materials and delivery system techniques developed by Dr. Di Massa and Stenticor outside the auspices of Stenticor; failing to disclose and concealing this use from Plaintiffs; and developing coronary and peripheral stents without first offering these products/ideas to Plaintiffs and Stenticor.

70. As a result of the conduct set forth above, Defendants Stertzer and Boneau were unjustly enriched at the expense of Plaintiffs. Plaintiffs were denied their share of the profits that Stenticor would have achieved had Stertzer and Boneau not breached the Agreement, in an amount to be proven at trial.

THIRD CAUSE OF ACTION

(Breach of Fiduciary Duty — Defendants Stertzer & Boneau)

71. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 70 of this complaint.

72. Defendants Stertzer and Boneau owed fiduciary duties to Plaintiffs DiMassa and Nigg and the other Stenticor shareholders and to Stenticor by virtue of their roles as shareholders in a closely held corporation and as directors, and/or officers of Stenticor at the relevant times.

73. The aforementioned acts and omissions of Defendants Stertzer and Michael Boneau, outlined in this complaint, which include failing to maintain the trade secrets of Stenticor; wrongfully using the concept, ideas, research, development, testing, materials and delivery system techniques developed by Dr. Di Massa outside the auspices of Stenticor; concealing this use from Plaintiffs; and developing coronary and peripheral stents without first offering these products/ideas to Plaintiffs and Stenticor, among other things, constitute breaches of the fiduciary duties Stertzer and Boneau owed to Plaintiffs.

74. As a proximate result of Stertzer's and Boneau's breaches of their fiduciary duties, Stenticor was denied the profits it would have achieved, and Plaintiffs were denied their share of the profits Stenticor would have achieved, had Stertzer and the Boneaus not breached the Agreement, in an amount to be proven at trial.

75. The above described breaches of fiduciary duty were done willfully and maliciously and therefore Plaintiffs are entitled to recover punitive damages from Defendants in an amount according to proof at trial.

FOURTH CAUSE OF ACTION

(Breach of Fiduciary Duty by Usurping of Corporate Opportunity — Defendants Stertzer & Michael Boneau)

76. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 75 of this complaint.

77. At the relevant times, Defendants Stertzer and Boneau occupied positions as shareholders, directors, and/or officers of Stenticor, a closely held corporation functioning much like a partnership. As such, Defendants Stertzer and Boneau were prohibited from taking advantage of any business opportunities that could have been utilized by Stenticor and its shareholders, without first offering such opportunities to Stenticor, and/or were prohibited from entering into any business in competition with Stenticor.

78. The aforementioned acts and omissions of Defendants Stertzer and Boneau, outlined in this complaint, which include developing coronary and peripheral stents without first offering these products/ideas to Plaintiffs and Stenticor, among other things, constitute

breaches of the fiduciary duties Stertzer and Boneau owed to DiMassa, Nigg and Stenticor, and usurping of a corporate opportunity, namely patenting, making, manufacturing, marketing and selling stents based on Stenticor's trade secrets, that should have been offered to Stenticor. Instead, Stertzer misrepresented to Stenticor's participants that Stenticor's projects covered by its trade secrets were unmarketable, thus affirmatively denying the existence of the opportunity he and Michael Boneau planned to take and did take for themselves.

79. As a proximate result of Stertzer's and Michael Boneau's usurping of this corporate opportunity, Plaintiffs were denied their share of the profits that Stenticor would have achieved therefrom, in an amount to be proven at trial. Plaintiffs request that the Court impress a constructive trust in on the property, interests, and profits flowing from the corporate opportunity usurped by Defendants Stertzer and Boneau, in favor of the shareholders of Stenticor.

80. The above-described breach of fiduciary duty by usurping corporate opportunity was done willfully and maliciously and therefore Plaintiffs are entitled to recover punitive damages from Defendants in an amount according to proof at trial.

FIFTH CAUSE OF ACTION

(Misappropriation of Trade Secrets in Violation of Civil Code §3426 et. Seq. —Defendants Stertzer, Michael Boneau, MAVE and All Does and Roes)

81. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 80 of this complaint.

82. Stenticor, and Di Massa and Nigg by and through their ownership in Stenticor, were in possession of trade secrets which consisted of, among other things: 1) Dr. Di Massa's ideas for an expandable stent, deliverable to the affected site by a balloon catheter; 2) the general concept of delivering a stent to the affected site via a balloon catheter; 3) the concept of a continuous expandable wire mesh stent deliverable to the affected site by a balloon catheter; 4) the concept of an expandable single wire stent in a

sinusoidal design deliverable to the affected site by a balloon catheter; 5) the concept of an expandable continuous wire mesh stent in a coil design using a memory metal; 6) the concept of using multiple stents to treat a large affected area; 7) particular procedures and protocols associated with the implantation of stents developed by Dr. Di Massa during his years of research, development, and testing which will be further revealed subject to an appropriate protective order; 8) the process, procedures, tolerances, composition, machining, metallurgy, finish and other manufacturing and design parameters related to stents developed on behalf of Stenticor; and 9) methods of tracking, locating and implanting the stent, including certain radiopaque qualities. Defendants had no knowledge of these trade secrets prior to becoming associated with Dr. Di Massa.

83. Stenticor's trade secrets had enormous economic value deriving from the fact that they were not known to the public or to Stenticor's competitors; as evidenced by the fact that Medtronic, Inc. recently purchased AVE's stock for $3.7 billion, and AVE's primary products are stents based on trade secrets owned by Stenticor.

84. Plaintiffs took great efforts to protect these valuable trade secrets by disclosing said trade secrets only to certain employees and owners of Stenticor on a "need to know" basis, by insisting that each principal owner sign a Confidentiality Agreement and by requiring that potential investors and/or business partners sign a similar confidentiality agreement.

85. Defendants Stertzer and Michael Boneau knew that the trade secrets described in this Complaint belonged to Stenticor because of their role and activities as directors and shareholders of Stenticor and their involvment in its management and operations at the relevant times and because they had signed the Agreement assigning those rights to Stenticor and acknowledging Stenticor's exclusive rights. They further promised in the Agreement to maintain and preserve the trade secrets.

86. On January 29, 1988, and continuing to the present time, Stertzer and Boneau misappropriated the above-described trade secrets of Stenticor by secretly taking the concept, ideas, research, development, testing, techniques, materials and delivery system

invented by Dr. Di Massa and then creating separate companies, outside the auspices of Stenticor (Accuterix, ESS, AVE, and MAVE) whose primary products were coronary and peripheral stents. This misappropriation continued when Defendants secretly filed patent applications for coronary and/or peripheral stents based on the concept, ideas, research, development, testing, techniques, materials and delivery system developed by Dr. Di Massa and Stenticor.

87. The above actions further constituted misappropriations in that Stertzer and/or Boneau, after improperly acquiring the trade secrets via a breach of the Agreement, disclosed and used Stenticor's trade secrets without Stenticor's express or implied consent in the formation and course of the operations of Accuterix, ESS, AVE and MAVE.

88. Defendants Stertzer and Boneau knew that the trade secrets of Stenticor w[illegible] was acquired by Accuterix, ESS, AVE and MAVE by improper means, i.e., by a breach of the Agreement by Stertzer and Boneau. Their knowledge was imputed to Accuterix, ESS, AVE and MAVE.

89. Because Medtronic and MAV Merger Corp. knew AVE had been sued on behalf of ESS on allegations that it had improperly taken stent technology from AVE, MAVE had reason to know when it acquired the trade secrets from AVE that AVE had acquired the trade secrets by improper means and/or from a party that had the obligation to maintain their secrecy. MAVE nevertheless used the trade secrets.

90. As a proximate result of the above-described misappropriations, Plaintiffs and Stenticor were damaged and Defendants were unjustly enriched at the expense of the Plaintiffs. Plaintiffs DiMassa and Nigg as stockholders were denied their share of the profits that Stenticor would have achieved had Stertzer and Michael Boneau and MAVE and the Doe and Roe defendants not misappropriated the trade secrets, in an amount to be proven at trial.

91. The above-described misappropriations were done willfully and maliciously and therefore Plaintiffs are entitled to recover punitive damages from Defendants in an amount according to proof at trial.

SIXTH CAUSE OF ACTION

(Unfair Competition/Violation of California Business and Professions Code §17200 et seq. — All Defendants)

92. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 91 of this complaint.

93. Defendants' acts, as set forth more fully above, constitute unfair competition in violation of California Business and Professions Code § 17200's prohibitions against unlawful, unfair and fraudulent acts.

94. Defendants have wrongfully benefitted and profited from these unlawful, unfair and fraudulent business practices in an amount to be proven at trial.

95. Defendants' conduct alleged in this complaint resulted in the deprivation of Plaintiffs' continuing rights to participate in profits due to exploitation of Stenticor's stent technology, including profits and increases in AVE's stock value due to the merger of AVE with Medtronic.

96. As a result of Defendants' conduct, Plaintiffs were deprived of their rights to the profits resulting from Stenticor's stent technology developed by Dr. Di Massa and Stenticor, while Defendants recognized a substantial profit therefrom.

97. Plaintiffs request that Defendants be forced to disgorge the amount of profits they made from the marketing and sale of coronary and peripheral stents that can be reasonably attributed to Stenticor's stent technology, in an amount to be proven at trial.

98. In the alternative, Plaintiffs request restitution for themselves and Stenticor from Defendants for the idea, invention, research, development and testing of the trade secrets of Stenticor in an amount to be proven at trial.

SEVENTH CAUSE OF ACTION

(Intentional Misrepresentation — Defendants Stertzer & Boneau)

99. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 98 of this complaint.

100. In or around June of 1987, Stertzer represented to Stenticor that the Di Massa Sleeve was essentially unmarketable and that the new product manufacture was not within the purview of the Boneaus. Defendant Michael Boneau, who now claims to be the inventor of the Boneau stent, was aware of Stertzer's representation to Stenticor that his company could not manufacture the "new product," which referred to Di Massa's idea for an expandable stent, but did not contradict it, thereby participating in the misrepresentation. Plaintiffs are informed and believe, and on that basis allege, that Defendants then took the concept, ideas, research, development, testing, techniques, materials and delivery system developed by Dr. Di Massa and Stenticor, and continued to market and develop these ideas for their own use and profit.

101. Plaintiffs are informed and believe, and on that basis allege, that Defendants' representations were false in that the concept, ideas, research, development, testing, techniques, materials and delivery system developed by Dr. Di Massa and Stenticor were, in fact, marketable and later became the basis of the primary product sold by MAVE; and also because within months of Stertzer leaving Stenticor Defendant Boneau did, in fact, manufacture an expandable stent based on one of Dr. Di Massa's designs.

102. Plaintiffs are informed and believe, and on that basis allege, that at the time Defendants made the representations that the Boneaus did not have the ability to produce an expandable stent and that the Di Massa Sleeve was essentially unmarketable, they knew that said representations were false.

103. Plaintiffs are informed and believe, and on that basis allege, that Defendants made the false representations with the intent of defrauding Plaintiffs by leading the other shareholders and other directors of Stenticor to believe that the concept, ideas, research, development, testing, techniques, materials and delivery system developed by Dr. Di Massa and Stenticor were unmarketable, so that they would not continue to pursue Stenticor's development of coronary or peripheral stents and would not suspect that Defendants were continuing to develop coronary stents based on Stenticor's trade secrets for competitors of Stenticor for their own eventual profit.

104. Plaintiffs relied on Defendants' false representations and essentially discontinued any further development of coronary or peripheral stents. In further reliance upon Defendants' false representation, they did not monitor Defendants Stertzer and Boneau in any way to determine whether they had continued to develop and/or market coronary stents.

105. As a result of their reliance on Defendants' false representations, Plaintiffs were denied their share of the profits that Stenticor would have achieved had Defendants not intentionally misled them and breached the Agreement, in an amount to be proven at trial.

106. Defendants' misrepresentations of these material facts were willful, malicious and oppressive. Plaintiffs are therefore entitled to punitive damages.

EIGHTH CAUSE OF ACTION

(Concealment — Defendants Stertzer & Boneau)

107. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 106 of this complaint.

108. Beginning in June of 1987, and continuing until the present time, Stertzer and Boneau concealed and suppressed from Plaintiffs their plans to continue and their continuing to develop and market coronary and peripheral stents for their own profit and for competititors of Stenticor.

109. By and through the Agreement and based on the business relationship among Plaintiffs, Stertzer and Boneau, Stertzer and Boneau owed fiduciary duties to Stenticor and plaintiff and also had a duty to maintain confidences of Stenticor. As such, Stertzer and Boneau had both a contractual and fiduciary duty to inform Plaintiffs and Stenticor that they were going to continue to develop and market coronary and peripheral stents using Stenticor's trade secrets for their own profit.

110. Plaintiffs are informed and believe, and on that basis allege, that Stertzer and Boneau concealed or suppressed their continued involvement in stent technology with the intent of defrauding Plaintiffs.

111. Plaintiffs were unaware of the fact that Stertzer and Michael Boneau continued to develop and market coronary and peripheral stents after 1987 and had no reason to be aware of these events. Had Plaintiffs known this, they would have asserted the claims set forth in this complaint sooner, and before the merger of AVE to form MAVE.

112. As a result of Stertzer and Boneau's concealment or suppression of their post 1987 development and marketing of coronary and peripheral stents, Plaintiffs were denied their share of the profits that Stenticor would have achieved had Stertzer and Boneau not concealed this information and breached the Agreement, in an amount to be proven at trial.

113. Defendants' concealment or suppression of these material facts was willful, malicious and oppressive. Plaintiffs are therefore entitled to punitive damages.

NINTH CAUSE OF ACTION

(Nondisclosure of Known Facts — Defendants Stertzer & Michael Boneau)

114. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 113 of this complaint.

115. Due to the fiduciary and/or confidential relationship between Plaintiffs and Stenticor and Defendants, Stertzer and Boneau each had a duty to disclose to Plaintiffs and Stenticor the fact that each of them intended to use the concept, ideas, research, development, testing, materials and delivery system techniques developed by Dr. Di Massa and Stenticor outside the auspices of Stenticor; intended to produce and market other coronary and peripheral stents without first offering these products/ideas to Plaintiffs and Stenticor; among other things.

116. Stertzer and the Boneau defendants did not disclose these material facts to Plaintiffs or Stenticor.

117. As a result of the conduct set forth above, Plaintiffs were denied their share of the profits that Stenticor would have achieved had Stertzer and Boneau not breached the Agreement, in an amount to be proven at trial.

TENTH CAUSE OF ACTION

(Unjust Enrichment/Imposition of Constructive Trust — Defendants Stertzer & Michael Boneau and MAVE)

118. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 117 of this complaint.

119. Between 1979 and 1987, Stenticor and plaintiffs spent hundreds of hours working on the Di Massa Sleeve, expandable stents, and related stent technology, directly furthering the objectives of Defendants, without compensation.

120. Defendants received economic benefit and/or monetary profit as a direct result of Plaintiffs' ideas, work and efforts as pleaded in this complaint.

121. Despite Defendants' Stertzer's and Boneau's promises, both written and oral, express and implied, Plaintiffs received no benefit, and Defendants received substantial benefit, for the time and efforts expended by Plaintiffs. The benefit to AVE was the stent technology of Stenticor and technology developed therefrom and profit therefrom. The benefit received by Defendants Stertzer and Boneau included ownership interests in AVE and now in MAVE.

122. Defendants Stertzer and Boneau gained this ownership interest by fraud, misappropriation and breach of trust, as fully described above, and were unjustly enriched as a result of their wrongdoing.

123. All shareholders in Stenticor have a right to an ownership interest in AVE, now MAVE, equal to their ownership interest in Stenticor.

124. By virtue of Defendants' Stertzer and Boneau's violation of the relationship of trust and confidence then existing between Plaintiffs and Defendants Stertzer and Boneau, Defendants hold their ownership interest in AVE, now MAVE, and any profits therefrom, in trust for Plaintiffs and Stenticor.

125. Defendants request that Defendants be forced to disgorge the amount of profits they made from the marketing and sale of coronary stents that can be reasonably attributed to the stent technology of Stenticor, in an amount to be proven at trial.

126. Defendants' unjust enrichment at Plaintiffs' expense was willful, malicious and oppressive. Plaintiffs are therefore entitled to punitive damages.

ELEVENTH CAUSE OF ACTION

(Breach of Confidence- Against Stertzer & Boneau)

127. Plaintiffs incorporate by reference, as though fully set forth herein, the allegations contained in paragraphs 1 through 126 of this complaint.

128. While Defendants Stertzer and Boneau were employees, directors and managers of Stenticor, Stenticor communicated to defendants novel and protectable confidential ideas and information concerning the design and manufacture of expandable stents and their use in treating coronary patients, as described more fully above.

129. Defendants Stertzer and Boneau received these ideas and this information in confidence by agreeing not to disclose such information to any other person or entity without the permission of Stenticor, as evidenced by the Agreements attached to this Complaint as Exhibit A. Defendants Stertzer and Boneau, and each of them, understood that such information was being communicated to them for the sole purpose of performing their duties as Stenticor employees and directors for the benefit of Stenticor's business.

130. Defendants Stertzer and Boneau, and each of them, breached their duty of confidence to Stenticor by communicating the ideas and information to Accuterix, ESS, AVE and MAVE.

131. As a proximate result of the breach of the duty of confidence by Defendants Stertzer and Boneau, and each of them, Stenticor has suffered damages in an amount to be proved at trial, through lost profits Stenticor would have made selling the stents or licensing its ideas to another company.

132. The wrongful conduct of Defendants Stertzer and Boneau, and each of them, was done with malice, oppression and/or fraud, in that they disclosed Stenticor's confidential information with the deliberate intent to injure Stenticor by taking its stent development, licensing and sales business, in conscious disregard of their duties to Stenticor and Stenticor's rights and with the use of intentional misrepresentations and/or concealment

of material facts, thereby warranting an award of punitive damages in an amount appropriate to punish defendants and deter others from engaging in similar misconduct.

WHEREFORE, Plaintiffs pray as follows:

1. For general damages according to proof at trial in excess of the jurisdictional minimum of the Superior Court;

2. For special damages according to proof at trial;

3. For punitive damages in an amount to be proven at trial;

4. For disgorgement to Stenticor of any and all profits that Defendants made based on the marketing development and/or sale of coronary or peripheral stents in an amount to be proven at trial;

5. For restitution rightfully owed to Stenticor by Defendants as a result of their utilization of the invention, research, development and testing done by Stenticor and/or Plaintiffs, in an amount to be proven at trial;

6. For imposition of a constructive trust, for the shareholders of Stenticor, on the stock and/or funds unjustly received by Defendants as a result of their utilization of the trade secrets of Stenticor;

7. For an injunction ordering Michael Boneau to assign all stent-related patents and applications, United States or foreign, to Stenticor and ordering the other defendants to cooperate and take all steps necessary to further and not impede the assignment of such rights to Stenticor;

8. For attorneys' fees and costs of suit incurred in this lawsuit; and

9. For such other and further relief as the Court deems just and proper.

Dated: February 1, 2000

CARLE, MACKIE, POWER & ROSS LLP

By: Dawn Ross

Dawn M. Ross
Attorneys for Plaintiffs Di Massa & Nigg

CERTIFICATE OF SERVICE

The undersigned hereby certifies as follows:

I am an employee of the law firm of Carle, Mackie, Power & Ross LLP, 100 B. Street, Suite 400, Santa Rosa, California 95814. I am over 18 years of age and am not a party to the within action. On the date indicated below, I served a true copy(ies) of the following document(s):

1) FIRST AMENDED COMPLAINT
2) SUMMONS ON FIRST AMENDED COMPLAINT
3) ASSOCIATION OF COUNSEL

on the party(ies) in this action by placing a true copy(ies) thereof in a sealed envelope(s), addressed as follows:

Jan M. Conlin, Esq.
Mark D. Wisser, Esq.
Robins Kaplan Miller & Ciresi
2800 LaSalle Plaza
800 LaSalle Avenue
Minneapolis, Minnesota

X (BY MAIL) I placed each such sealed envelope, with postage fully prepaid for first-class mail, for collection and mailing at Carle, Mackie, Power & Ross LLP, Santa Rosa, California following the ordinary business practices. I am readily familiar with the practice of Carle, Mackie, Power & Ross LLP for collection and processing of correspondence, said practice being that in the ordinary course of business, correspondence is deposited in the United States Postal Service the same day as it is placed for collection.

____ (BY FACSIMILE) I caused each such document to be delivered by facsimile to the individual/firm listed above from the offices of Carle, Mackie, Power & Ross LLP, Santa Rosa, California following ordinary business practices.

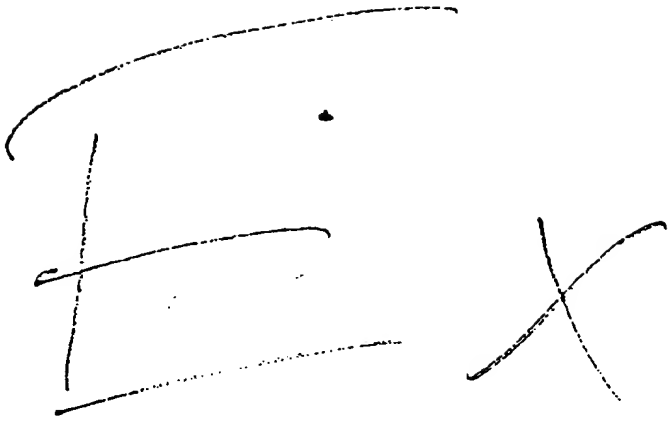
____ (BY OVERNIGHT DELIVERY) I placed each such sealed envelope, with delivery fees proved for, for collection and overnight delivery at Carle, Mackie, Power & Ross LLP, Santa Rosa, California following the ordinary business practices.

____ (PERSONAL SERVICE) I personally delivered each sealed envelope, by leaving it with the person to whom it was directed, the office receptionist or with a person having charge thereof, clearly labeled to identify the person being served.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct.

DATED: February 1, 2000

Janice E. Garcia



STENTICOR INTERNATIONAL, INC.

SHAREHOLDER and EMPLOYEE CONFIDENTIAL INFORMATION and INVENTION AGREEMENT

In consideration of my ownership interest and employment by and with STENTICOR INTERNATIONAL, INC. I, the undersigned individual do hereby agree to the following terms and conditions:

1. I will not disclose or reveal to anyone outside of STENTICOR INTERNATIONAL, INC., hereinafter referred to as STENTICOR, or use in other than STENTICOR business, any confidential information or material relating to the business of STENTICOR or its subsidiaries, either during or after my STENTICOR employment, except with the express written approval of STENTICOR first obtained. I also understand that information and materials received from other STENTICOR employees, vendors, or third parties is included within the meaning of this paragraph. I expressly agree that all research, development, manufacturing processes, writings, and other work done on the DIMASSA SLEEVE, prior to the formation and incorporation of STENTICOR, shall belong to and be the property of STENTICOR and shall be included within the terms and meanings of this AGREEMENT. I further agree that all work done, to-date, on the DIMASSA SLEEVE shall be treated as a trade secret and I will do all acts necessary to protect said trade secret.

2. I agree to comply, and do all things necessary for STENTICOR to comply with United States Government regulations, including but not limited to the Food and Drug Administration, and with the provisions of any contracts between STENTICOR and any medical facility in the United States or any other country that STENTICOR shall do business.

3. I hereby assign to STENTICOR my entire right, title, and interest in any invention or idea, patentable or not, hereinbefore or hereinafter made or conceived solely by me, or jointly with any other employee of STENTICOR, which relates in any manner to the actual or anticipated business of STENTICOR, and its subsidiaries, or is suggested by or results from any work or task assigned to me, or work performed by me, for or on behalf of STENTICOR. I further agree that this Paragraph 3 shall mean to include all medical research, manufacturing and development done on the DIMASSA SLEEVE for and on behalf of Cardio Vascular Products, hereinafter referred to as CVP, prior to the formation of STENTICOR.

4. I agree, in connection with any invention or idea covered by this AGREEMENT, including the medical research, manufacturing processes and ideas developed for STENTICOR and/or CVP, as follows:

a) I will disclose the idea and/or invention promptly to STENTICOR; and

b) I will, on the request of STENTICOR, promptly execute a specific assignment of title to STENTICOR, and do anything else reasonably

necessary to enable STENTICOR to secure a patent therefor in the United States and in any foreign country; and

c) I will treat any invention or idea, covered by this AGREEMENT, as a trade secret and will not reveal any of the processes used or developed for the manufacture of any product of STENTICOR.

d) I will, upon termination of my employment with STENTICOR or upon termination of this AGREEMENT, immediately return to STENTICOR all records, documents, writings, and other information received by me during the term of this AGREEMENT or during the period of my work for CVP.

5. I represent that I have indicated on the back of this AGREEMENT any inventions or ideas not covered by the terms and conditions herein contained, in which I have any right, title, or interest, and which were previously conceived wholly or in part by me, but neither published nor filed in the United States Patent Office, and I have herein identified all of said ideas and inventions.

If there are no ideas or inventions write "NONE" on the next line.

NONE

6. I acknowledge receipt of a copy of this AGREEMENT, and agree that with respect to the subject matter hereof, it is my entire agreement with STENTICOR, superceding any previous oral or written agreements, representations, contracts, or understandings with STENTICOR or CARDIO VASCULAR PRODUCTS (CVP), their partners, stockholders, officers, employees or representatives.

7. I agree that if any dispute shall arise over the terms and conditions contained herein, said dispute shall be referred to the American Arbitration Association for binding arbitration according to the rules and regulations of the American Arbitration Association. All costs of arbitration shall be shared equally by myself and STENTICOR. Any award of the Arbitrator shall be final and conclusive on myself and STENTICOR and both parties agree to be bound by said decision.

Executed on 25 MARCH, 1986 at SETON MEDICAL CTR DALY CITY California.

Witness Laura E. Martinez — Signed

Witness Suzanne M. Stibon

STENTICOR INTERNATIONAL, INC.

SHAREHOLDER and EMPLOYEE CONFIDENTIAL INFORMATION

and INVENTION AGREEMENT

In consideration of my ownership interest and employment by and with STENTICOR INTERNATIONAL, INC. I, the undersigned individual do hereby agree to the following terms and conditions:

1. I will not disclose or reveal to anyone outside of STENTICOR INTERNATIONAL, INC., hereinafter referred to as STENTICOR, or use in other than STENTICOR business, any confidential information or material relating to the business of STENTICOR or its subsidiaries, either during or after my STENTICOR employment, except with the express written approval of STENTICOR first obtained. I also understand that information and materials received from other STENTICOR employees, vendors, or third parties is included within the meaning of this paragraph. I expressly agree that all research, development, manufacturing processes, writings, and other work done on the DIMASSA SLEEVE, prior to the formation and incorporation of STENTICOR, shall belong to and be the property of STENTICOR and shall be included within the terms and meanings of this AGREEMENT. I further agree that all work done, to-date, on the DIMASSA SLEEVE shall be treated as a trade secret and I will do all acts necessary to protect said trade secret.

2. I agree to comply, and do all things necessary for STENTICOR to comply with United States Government regulations, including but not limited to the Food and Drug Administration, and with the provisions of any contracts between STENTICOR and any medical facility in the United States or any other country that STENTICOR shall do business.

3. I hereby assign to STENTICOR my entire right, title, and interest in any invention or idea, patentable or not, hereinbefore or hereinafter made or conceived solely by me, or jointly with any other employee of STENTICOR, which relates in any manner to the actual or anticipated business of STENTICOR, and its subsidiaries, or is suggested by or results from any work or task assigned to me, or work performed by me, for or on behalf of STENTICOR. I further agree that this Paragraph 3 shall mean to include all medical research, manufacturing and development done on the DIMASSA SLEEVE for and on behalf of Cardio Vascular Products, hereinafter referred to as CVP, prior to the formation of STENTICOR.

4. I agree, in connection with any invention or idea covered by this AGREEMENT, including the medical research, manufacturing processes and ideas developed for STENTICOR and/or CVP, as follows:

a) I will disclose the idea and/or invention promptly to STENTICOR; and

b) I will, on the request of STENTICOR, promptly execute a specific assignment of title to STENTICOR, and do anything else reasonably

necessary to enable STENTICOR to secure a patent therefor in the United States and in any foreign country; and

c) I will treat any invention or idea, covered by this AGREEMENT, as a trade secret and will not reveal any of the processes used or developed for the manufacture of any product of STENTICOR.

d) I will, upon termination of my employment with STENTICOR or upon termination of this AGREEMENT, immediately return to STENTICOR all records, documents, writings, and other information received by me during the term of this AGREEMENT or during the period of my work for CVP.

5. I represent that I have indicated on the back of this AGREEMENT any inventions or ideas not covered by the terms and conditions herein contained, in which I have any right, title, or interest, and which were previously conceived wholly or in part by me, but neither published nor filed in the United States Patent Office, and I have herein identified all of said ideas and inventions.

If there are no ideas or inventions write "NONE" on the next line.

None

6. I acknowledge receipt of a copy of this AGREEMENT, and agree that with respect to the subject matter hereof, it is my entire agreement with STENTICOR, superceding any previous oral or written agreements, representations, contracts, or understandings with STENTICOR or CARDIO VASCULAR PRODUCTS (CVP), their partners, stockholders, officers, employees or representatives.

7. I agree that if any dispute shall arise over the terms and conditions contained herein, said dispute shall be referred to the American Arbitration Association for binding arbitration according to the rules and regulations of the American Arbitration Association. All costs of arbitration shall be shared equally by myself and STENTICOR. Any award of the Arbitrator shall be final and conclusive on myself and STENTICOR and both parties agree to be bound by said decision.

Executed on March 20 1986, 1986 at Santa Clara, California.

Witness [signature] Signed [signature]

Witness [signature]